

Briefing Instructions Pertaining to Physical Inventory

1. A valid accurate inventory is absolutely necessary. The inventory sheets you are to receive list the nomenclature of the items comprising the record of inventory. If the team encounters an item which is not listed, they should enter it on the form with sufficient description to identify it. It must be absolutely clear that everything is to be counted. The custodian will have his personnel insure accuracy and proper nomenclature. They are to take (or verify) each count. The work should be done in groups of two, one counting and the other entering the count on the inventory form with the independent observer present. The observer(s) should come from the duty roster maintained by the installation adjutant. All entries must be in ink. In the event an error is made, neatly line through the entry with a single line. Both team members must initial the line out. If an item listed on the inventory sheet cannot be located enter a "zero" in the quantity column. Do not leave it blank. These are official accounting documents and neatness and accuracy are a must. The inventory should be taken on a "wall-to-wall" basis and not necessarily in the order of the items as they are listed on the sheets. Otherwise, you might miss some unrecorded items or situations where the same item is stored in two different places.

2. Merchandise for resale and supplies inventory. Within warehouse areas, start at one end of a shelf and count all items on that shelf. Items should already be entered on your inventory form in the general order in which they are stored.

a. Items received by the activity during the period of the actual inventory will not be counted. However, as support, a record should be made of these items for verification by the Central Accounting Office to insure that the applicable payable is not included in accounts payable for the month ending. If there is any doubt about the date of receipt of an item, the custodian should check receiving report.

b. Retail activities must be inventoried in the same manner as the warehouse except items may not be displayed in the same order as they appear on the inventory sheets. Again you must insure that everything is counted.

c. Reconciliation.

(1) Upon completion of the warehouse and supplies inventory, these inventories must be reconciled to the stock record cards.

(a) The reconciliation is done by activity maintaining stock record cards.

(b) All differences should be verified, and adjusted.

(c) The actual posting of the inventory adjustment to the stock record card should be done immediately upon completion of the inventory statement.

(d) There should be a stock record card for each item listed on the inventory sheets and for any additional items which were found. If no card exists, the item should be listed on the inventory statement and a card prepared.

(2) Upon completion of reconciliation with the stock record cards, the inventory forms must be extended to reflect total value. If an error is made in extension, the error will be lined through with a single line, the proper figure entered in ink above it, and the team members will initial in the margin by the line entry.

(3) DA Form 1759 (Property/ Merchandise Inventory) will be annotated with the unit price from the stock record cards, and the extension be made by the fund manager. Upon completion of pricing, the team and fund manager will reconcile dollar values with the control accounts and prepare the inventory statement.

3. Upon completion of the inventory, forward the following to Central Accounting Office, P.O. Box 6111, Texarkana, TX 75505-6111:

- a. Copy of appointment orders for observers
- b. Completed briefing statement
- c. Completed inventory
- d. Completed Merchandise and Supplies Inventory showing overages/shortages

4. The independent observers will not be released until the inventory is satisfactorily completed.